

June 11, 2001

D.T.E. 01-45

An investigation by the Department of Telecommunications and Energy pursuant to the Electric Restructuring Act, Chapter 164 of the Acts of 1997, concerning the promulgation of rules for the disbursement of monies appropriated from the Rate Parity Trust Fund.

ORDER OPENING INVESTIGATION

I. INTRODUCTION

The Department of Telecommunications and Energy (“Department”) solicits comments regarding the promulgation of rules for the disbursement of monies appropriated from the Rate Parity Trust Fund (“Fund”). G.L. c. 10, § 62, provides for the establishment of the Fund wherein electric distribution companies deposit personal and corporate tax revenues attributable to the sale of their assets, all penalties and fines collected under the provisions of G.L. c. 164, §§1A to 1H, inclusive, and any income derived from the investment of those amounts. The statute specifies that amounts credited to the Fund shall be held in trust and used solely for the purpose of providing extraordinary assistance to those utilities experiencing difficulty in achieving the 15 percent rate reduction required by the Electric Restructuring Act, Chapter 164 of the Acts of 1997 (“Act”). Pursuant to G.L. c. 10, § 62, the Department must file with the Secretary of Administration and Finance a request for distribution of monies held in the Fund.

In anticipation of the requests for monies, the General Court directed the Department, in cooperation with the Secretary of Administration and Finance, to promulgate regulations for the disbursement of monies appropriated from the Fund (see §193 (1G)(c)(4)). To date, no electric distribution company has requested monies held in the Fund.

Nonetheless, in accordance with the General Court’s directives, the Department hereby opens an investigation to determine how to disburse appropriated funds, if eventually requested to do so.

Initially, the Department seeks comments in response to the questions delineated below. After review of the comments, the Department may establish and publish a procedural schedule for the rulemaking.

II. QUESTIONS FOR COMMENT

The Department requests comment on the following issues:

- (1) Please propose a method, consistent with provisions of G. L. c. 164 § 1G(c)4 and G. L. c. 10 § 62, to determine the eligibility of electric distribution companies to receive monies held in the Ratepayer Parity Trust Fund. In proposing such a method, please discuss the roles and responsibilities of: (1) the Department; (2) the distribution companies;

(3) the
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General
Court;
and (6)
others.

- (2) What documentation would a distribution company be required to present to substantiate the need for “extraordinary assistance” to meet the 15 percent rate reduction?
- (3) Please indicate how best to disburse funds (e.g., how to prioritize numerous requests, how to determine the allotment of funds per company, etc.).
- (4) Pursuant to the Act, after February 2005 standard offer rates will no longer be available. Should the Fund be maintained until February 2005, or can it be terminated sooner since all distribution companies have met the 15 percent rate reduction required by the Act without necessitating disbursement of monies from the Fund?
- (5) Upon termination of the Fund, what should happen to the monies remaining in the Fund?
- (6) For response by each distribution company: Please provide a summary of the amounts deposited into the Fund. Kindly breakdown the information by monies deposited as a result of:
(a) revenues attributable to the sale of assets; (b) penalties and fines; and
(c) income derived from the investment of those amounts.

The Department will also entertain comments on other points relevant to the Fund.

III. PROCEDURES TO SUBMIT COMMENTS

Any persons interested in submitting comments to the Department on the aforementioned issues should do so by the close of business (5:00 p.m.) on June 29, 2001. One original and 15 copies of all comments should be filed with Mary Cottrell, Secretary of the Department, One South Station, Boston, Massachusetts 02110. All comments exceeding ten pages in length must be accompanied by a summary of no more than two pages, double-spaced. Comments should be submitted in hard copy and on a 3.5"diskette, IBM-compatible format. The file format for all comments must be compatible with either WordPerfect 8.0 for text responses, or with Microsoft Excel for data or spreadsheet responses. Comments submitted in electronic format will be posted on the Department's website, <http://www.magnet.state.ma.us/dpu>. Persons interested in replying to initial comments must do so by July 13, 2001. In the event that the Department determines to schedule a hearing to afford commenters the opportunity to address these issues further, said commenters will be notified of the date and format of the hearing.

IV. ORDER

After due consideration, the Department

VOTES: To open an inquiry designed to promulgate rules and regulations for the disbursement of appropriated monies from the Rate Parity Trust Fund; and it is

ORDERED: That within seven days of the date of this Order, the Secretary of the Department shall publish the accompanying Notice of Inquiry in statewide newspapers of general circulation within the service territories of electric companies subject to G.L. c. 164; and it is

FURTHER ORDERED: That the Secretary shall serve a copy of this Order by regular mail on each electric company subject to G.L. c. 164.

By Order of the Department,

James Connelly, Chairman

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner

Deirdre K. Manning, Commissioner